

MONDAY, FEBRUARY 3, 2014

FORTY-SECOND LEGISLATIVE DAY

The House met at 5:00 p.m. and was called to order by Madam Speaker Harwell.

The proceedings were opened with prayer by Reverend Dan Spencer, First Baptist Church, Sevierville, TN.

Representative Farmer led the House in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present..... 94

Representatives present were Akbari, Alexander, Armstrong, Bailey, Brooks H, Butt, Calfee, Camper, Carr D, Carr J, Carter, Casada, Coley, Cooper, Dean, Dennis, Doss, Dunn, Durham, Eldridge, Evans, Faison, Farmer, Favors, Fitzhugh, Floyd, Forgety, Goins, Halford, Hall, Hardaway, Harrison, Hawk, Haynes, Hill M, Hill T, Holt, Jernigan, Johnson C, Johnson G, Jones, Kane, Keisling, Lamberth, Littleton, Lollar, Love, Lundberg, Lynn, Marsh, Matheny, Matlock, McCormick, McDaniel, McManus, Miller, Mitchell, Moody, Odom, Parkinson, Pitts, Pody, Powell, Powers, Ragan, Ramsey, Rich, Roach, Rogers, Sanderson, Sargent, Sexton, Shaw, Shepard, Shipley, Sparks, Spivey, Stewart, Swann, Tidwell, Todd, Towns, Travis, Van Huss, Watson, Weaver, White D, White M, Williams K, Williams R, Windle, Wirgau, Womick, Madam Speaker Harwell -- 94

EXCUSED

The Speaker announced that the following member(s) has/have been excused, pursuant to request(s) under **Rule No. 20**:

Representative J. Turner

Representative Gilmore

Representative K. Brooks

SPONSORS REMOVED

On motion, Rep(s). McDaniel was/were removed as sponsor(s) of **House Bill No. 1490**.

**MESSAGE FROM THE SENATE
January 31, 2014**

MADAM SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 530, 532 and 533; adopted, for the House's action.

RUSSELL A. HUMPHREY, Chief Clerk

Senate Joint Resolution No. 530 -- Memorials, Personal Occasion - Jennie Beatrice Burton Ramsey, 110th birthday. by *Green.

Senate Joint Resolution No. 532 -- Memorials, Professional Achievement - Jean Shepard, 59th anniversary as Grand Ole Opry member. by *Haile, *Tracy.

Senate Joint Resolution No. 533 -- Memorials, Death - William R. "Bill" Baker. by *Green, *Henry.

**MESSAGE FROM THE SENATE
January 31, 2014**

MADAM SPEAKER: I am directed to transmit to the House, Senate Bill(s) No(s). 837, 1443, 1509, 1510, 1511 and 1626; passed by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk

Senate Bill No. 837 -- Wine & Wineries - As introduced, allows cities and counties to hold a referendum to authorize selling wine at retail food stores; creates permit to sell wine at retail food stores. - Amends TCA Title 2 and Title 57. by *Ketron, *Bowling, *Henry. (*HB610 by *Lundberg, *Casada, *Shepard, *Stewart, *Durham, *Sargent, *Haynes, *Harwell)

***Senate Bill No. 1443** -- Naming and Designating - As introduced, names new Tennessee State Veterans Home in Montgomery County in honor of Brigadier General (Retired) Wendell H. Gilbert, United States Army. by *Green, *Norris, *Summerville, *Crowe, *Beavers, *Bell, *Bowling, *Burks, *Campfield, *Dickerson, *Finney, *Gardenhire, *Gresham, *Haile, *Harper, *Henry, *Hensley, *Johnson, *Kelsey, *Ketron, *Kyle, *Massey, *McNally, *Niceley, *Overbey, *Southerland, *Stevens, *Tate, *Tracy, *Watson, *Yager, *Ramsey. (HB1384 by *Johnson C, *Pitts, *Tidwell)

***Senate Bill No. 1509** -- Comptroller, State - As introduced, transfers from the comptroller to the department of agriculture certain duties relative to the annual financial review of watershed districts. - Amends TCA Section 69-6-142. by *Bell. (HB1443 by *Durham)

***Senate Bill No. 1510** -- Auditing - As introduced, removes the ability of a non-certified public accountant to prepare the annual audits of the East Tennessee Regional Agribusiness Marketing Authority and the Cumberland Regional Business and Agribusiness Marketing Authority. - Amends TCA Section 64-10-113 and Section 64-10-213. by *Hensley. (HB1444 by *Travis)

***Senate Bill No. 1511** -- Emergency Communications Districts - As introduced, clarifies terms relative to the definition of a financially distressed emergency communications district by

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changing the phrase "net assets" to "net position". - Amends TCA Title 7, Chapter 86, Part 3. by *Stevens. (HB1445 by *Lamberth)

Senate Bill No. 1626 -- Finance and Administration, Dept. of - As introduced, requires a criminal history background check, including a fingerprint check, of all employees of the office of information resources having certain information or system access; includes procedures and additional requirements relating to the background check. - Amends TCA Title 4, Chapter 3, Part 55. by *Norris, *Hensley, *Gresham. (*HB1422 by *McCormick, *Pody, *Brooks K)

**MESSAGE FROM THE SENATE
January 31, 2014**

MADAM SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 554, 555, 556, 558, 559, 560, 565, 566, 567, 568, 569, 570, 571, 573, 574, 576, 578, 580 and 581; concurred in by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk

**ENROLLED BILLS
January 31, 2014**

MADAM SPEAKER: Your Interim Chief Engrossing Clerk begs leave to report that we have carefully compared House Joint Resolution(s) No(s). 554, 555, 556, 558, 559, 560, 565, 566, 567, 568, 569, 570, 571, 573, 574, 576, 578, 580 and 581; and find same correctly enrolled and ready for the signatures of the Speakers.

GREG GLASS, Interim Chief Engrossing Clerk

**SIGNED
January 31, 2014**

The Speaker announced that she had signed the following: House Joint Resolution(s) No(s). 554, 555, 556, 558, 559, 560, 565, 566, 567, 568, 569, 570, 571, 573, 574, 576, 578, 580 and 581.

GREG GLASS, Interim Chief Engrossing Clerk

**MESSAGE FROM THE SENATE
January 31, 2014**

MADAM SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 554, 555, 556, 558, 559, 560, 565, 566, 567, 568, 569, 570, 571, 573, 574, 576, 578, 580 and 581; signed by the Speaker.

RUSSELL A. HUMPHREY, Chief Clerk

REPORT OF CHIEF ENGROSSING CLERK
January 31, 2014

MADAM SPEAKER: Your Interim Chief Engrossing Clerk begs leave to report that we have transmitted to the Governor the following: House Joint Resolution(s) No(s). 544, 546, 547, 549, 554, 555, 556, 558, 559, 560, 565, 566, 567, 568, 569, 570, 571, 573, 574, 576, 578, 580, 581 and 635; for his action.

GREG GLASS, Interim Chief Engrossing Clerk

MESSAGE FROM THE GOVERNOR
January 31, 2014

MADAM SPEAKER: I am directed by the Governor to return herewith: House Joint Resolution(s) No(s). 544, 546, 547, 549, 554, 555, 556, 558, 559, 560, 565, 566, 567, 568, 569, 570, 571, 573, 574, 576, 578, 580, 581 and 635; with his approval.

HERBERT H. SLATTERY III, Counsel to the Governor

PRESENT IN CHAMBER

Representative(s). J. DeBerry was/were recorded as being present in the Chamber.

RESOLUTIONS

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Consent Calendar for February 5, 2014:

House Joint Resolution No. 647 -- Memorials, Recognition - Jerry Lee. by *Eldridge, *Pody, *Casada, *Lynn, *McManus, *Towns, *Turner J.

House Joint Resolution No. 648 -- Memorials, Recognition - Indian Path Medical Center. by *Lundberg.

SENATE JOINT RESOLUTIONS
(Congratulatory and Memorializing)

Pursuant to **Rule No. 17**, the resolution(s) listed was/were noted as being placed on the Consent Calendar for February 5, 2014:

Senate Joint Resolution No. 536 -- Memorials, Recognition - Dr. Reid B. Blackwelder. by *Hensley.

Senate Joint Resolution No. 538 -- Memorials, Death - Ottis B. Lightfoot. by *Tate.

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Senate Joint Resolution No. 539 -- Memorials, Recognition - Cannon Courier 130th Anniversary. by *Beavers.

Senate Joint Resolution No. 540 -- Memorials, Recognition - Billy Graham. by *Crowe.

Senate Joint Resolution No. 542 -- Memorials, Death - K.S. "Bud" Adams, Jr. by *Dickerson, *Henry, *Ramsey.

Senate Joint Resolution No. 543 -- Memorials, Death - Bill Wilcox. by *McNally.

Senate Joint Resolution No. 547 -- Memorials, Recognition - Millington Goat Days and W. S. Howard. by *Ford.

Senate Joint Resolution No. 561 -- Memorials, Professional Achievement - Connie Smith, 49th anniversary as a member of the Grand Ole Opry and 50th anniversary of her country music career. by *Johnson.

RESOLUTIONS LYING OVER

On motion, the resolution(s) listed was/were referred to the appropriate Committee:

House Joint Resolution No. 642 -- General Assembly, Statement of Intent or Position - Encourages Sean Hannity and like-minded New Yorkers to relocate to Tennessee. by *Holt

State Government Committee

INTRODUCTION OF BILLS

On motion, the following bills were introduced and passed first consideration:

House Bill No. 2262 -- Madisonville - As introduced, subject to local approval, increases mayor's monthly salary from \$50 to \$500; increases monthly salary of aldermen from \$50 to \$400. - Amends Chapter 663 of the Private Acts of 1911, as amended. by *Matlock, *Forgety.

House Bill No. 2263 -- Teachers, Principals and School Personnel - As introduced, enacts the "Educator Respect and Accountability Act of 2014." - Amends TCA Title 49. by *Hill M, *Spivey, *Hill T, *Van Huss, *Holt, *Kane, *Hawk, *Casada, *Coley, *Carr D, *Moody, *Forgety, *Goins, *Hall, *Watson, *Harrison, *Matlock, *Rogers, *Carter, *Matheny, *Faison, *Lollar, *Dennis, *Travis, *Alexander, *Rich, *Keisling, *Eldridge, *Powers, *Floyd, *Sexton, *McManus, *Swann, *Williams K, *Dean, *Mitchell, *Sanderson, *Sparks, *Roach, *Wirgau, *Evans, *DeBerry J, *Tidwell, *Windle, *Miller, *Jones, *Jernigan, *Marsh, *Parkinson, *Love, *Pitts, *Fitzhugh, *Cooper, *Johnson G, *Odom, *Shepard, *Powell, *McDaniel, *Camper, *Towns, *Armstrong.

House Bill No. 2264 -- Teachers, Principals and School Personnel - As introduced, prohibits the establishment of any rules, policies or guidelines to require the results from classroom observation evaluations to correlate with TVAAS statistical data. - Amends TCA Title 49. by *Hawk.

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***House Bill No. 2265** -- Insurance Companies, Agents, Brokers, Policies - As introduced, deletes the statutory provisions that prohibit insurance companies doing business in this state from using their funds to aid any political party or any candidate for political office. Revises certain other statutory provisions pertaining to insurance. - Amends TCA Title 56. by *Shepard.

House Bill No. 2266 -- Welfare - As introduced, establishes a poverty task force. - Amends TCA Title 4 and Title 71. by *Akbari, *Camper, *Gilmore, *Favors, *Miller, *Jones, *Johnson G, *Shaw, *Turner J, *Powell, *Armstrong, *Towns.

House Bill No. 2267 -- Litter Control - As introduced, enhances the fine for the offense of aggravated criminal littering when the amount of litter exceeds 100 lbs. in weight or 30 cubic feet in volume from no greater than \$2,500 to between \$2,500 and \$4,000. - Amends TCA Title 4, Chapter 7, Part 3; Section 5-1-115; Section 6-54-113; Title 7, Chapter 63, Part 2; Section 13-21-204; Title 39, Chapter 14, Part 5; Title 54, Chapter 1, Part 4 and Section 55-10-420. by *Akbari, *Favors, *Miller, *Cooper, *Armstrong, *Camper, *Turner J.

House Bill No. 2268 -- Election Laws - As introduced, requires voter notice of new legislative districts and new voter registration cards after decennial or court ordered redistricting. - Amends TCA Title 2; Section 3-1-102 and Section 3-1-103. by *Akbari, *Miller, *Favors, *Shaw, *Cooper, *Camper, *Turner J, *Armstrong.

House Bill No. 2269 -- Utilities, Utility Districts - As introduced, requires a utility to individually meter certain apartments on or after July 1, 2014; prohibits master-metered designs for certain apartment buildings on or after July 1, 2014; and requires a utility to provide certain notice to occupants in a master-metered apartment building prior to the discontinuance of service. - Amends TCA Title 7 and Title 65. by *Akbari, *Miller, *Favors, *Shaw, *Cooper, *Camper, *Turner J, *Armstrong.

House Bill No. 2270 -- Criminal Offenses - As introduced, adds new money laundering offenses for using property to obtain, purchase, display, sell, conceal, comingle, or transport criminal proceeds or commit TennCare fraud; provides for forfeiture of assets and proceeds used in such violations. - Amends TCA Title 39, Chapter 14, Part 9. by *Akbari, *Favors, *Shaw, *Miller, *Cooper, *Camper, *Turner J.

House Bill No. 2271 -- Cemeteries - As introduced, increases the maximum civil penalty that may be assessed against a cemetery company or operator for failure to maintain cemetery grounds from \$1,000 per day to \$3,000 per day. - Amends TCA Title 46. by *Akbari, *Turner J, *Armstrong.

***House Bill No. 2272** -- Naming and Designating - As introduced, names new TRICOR office building and warehouse complex in honor of Patricia Weiland. - Amends TCA Section 41-22-406. by *Gilmore, *Brooks K.

House Bill No. 2273 -- Highway Signs - As introduced, names a new APD 40 Interchange in Cleveland, Tennessee in honor of the Honorable Mayor Tom Rowland. by *Brooks K.

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House Bill No. 2274 -- County Clerks - As introduced, authorizes former county clerks of this state who occupied the office of county clerk on or after July 1, 2014, to solemnize the rite of matrimony. - Amends TCA Section 36-3-301. by *Armstrong.

House Bill No. 2275 -- Surveyors - As introduced, requires licensed land surveyors to verify in a written report the quality of a property description in certain transfer documents prior to the transfer of title to any interest in real property in the state. - Amends TCA Title 8; Title 35; Title 47, Chapter 10; Title 62, Chapter 18 and Title 66. by *Swann, *Calfee, *Sexton.

***House Bill No. 2276** -- Landlord and Tenant - As introduced, requires any landlord registering in Davidson county to provide the landlord's or their agent's physical address to the department of codes and building safety; also requires the landlord, or their agent, to notify the department if any such information changes, or if ownership of the dwelling units changes, within thirty days of such change. - Amends TCA Title 13; Title 29, Chapter 3; Title 37; Title 39; Title 40; Title 55 and Title 66, Chapter 28. by *Gilmore.

***House Bill No. 2277** -- Comptroller, State - As introduced, reorganizes the funds in the utility relocation loan program; transfers a portion of the funds from the utility relocation loan program to the utility revitalization loan program. - Amends TCA Title 7, Chapter 82; Title 54 and Title 67. by *Alexander.

House Bill No. 2278 -- Cooperatives - As introduced, revises various cross-references addressing the nonapplicability or qualified applicability of certain provisions of the Tennessee Nonprofit Corporation Act to cooperatives. - Amends TCA Section 48-69-122 and Section 65-25-225. by *Goins, *Lamberth.

House Bill No. 2279 -- Liens - As introduced, requires certain artisans to include the vehicle identification number, in the case of a motor vehicle, in any notice to persons known to the artisan who claim an interest in the motor vehicle and any advertisement of the auction sale to satisfy the lien on the motor vehicle. - Amends TCA Title 66. by *Holt.

***House Bill No. 2280** -- Insurance, Motor Vehicles - As introduced, defines certain practices as unfair trade practices and unfair claims practices by insurers of automobile glass coverage; defines certain practices as unfair, deceptive or fraudulent practices by persons engaged in automobile glass repairs and replacements. - Amends TCA Title 55 and Title 56. by *Gilmore.

House Bill No. 2281 -- Child Abuse - As introduced, requires any person with knowledge of the death of a child to report the death immediately to the department of children's services and local law enforcement; requires the department and law enforcement agency to determine whether to initiate an investigation by child protective services based on the report. - Amends TCA Title 37, Chapter 1. by *Littleton.

House Bill No. 2282 -- Hospitals and Health Care Facilities - As introduced, authorizes the commissioner of health to seek recovery of unpaid penalties assessed against deficient nursing homes in general sessions court, as an alternative to circuit or chancery court. - Amends TCA Title 68. by *Littleton.

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House Bill No. 2283 -- Evidence - As introduced, revises requirements for identifying medical bills in civil actions to allow patients and their caretakers to prove up such documents. - Amends TCA Title 24; Title 63, Chapter 2 and Title 68, Chapter 11. by *Stewart.

House Bill No. 2284 -- Insurance Companies, Agents, Brokers, Policies - As introduced, requires an insurer, on policies offered on or after January 1, 2015, to specify the type of insurance being offered at the top of the offer document in bold print and in at least eleven point font or larger; and authorizes the commissioner of commerce and insurance to promulgate rules thereto. - Amends TCA Title 8 and Title 56. by *Turner J, *Camper, *Gilmore, *Parkinson, *Akbari, *Armstrong.

House Bill No. 2285 -- Domestic Violence - As introduced, requires any pending order of protection or restraining order to be served on domestic violence offender before release following the mandatory twelve-hour holding period; directs a copy of protection order to be issued to any court in which the respondent or petitioner are parties to an action. - Amends TCA Title 36, Chapter 3, Part 6; Title 39, Chapter 13, Part 1 and Title 40, Chapter 11, Part 1. by *Turner J, *Camper, *Gilmore, *Dean, *Parkinson, *Alexander, *Jones, *Akbari, *Armstrong.

House Bill No. 2286 -- Domestic Violence - As introduced, prohibits an alleged victim of domestic violence from posting bail or signing any bond as surety for the appearance of the person who is charged with an act of domestic violence against the victim. - Amends TCA Title 36, Chapter 3, Part 6; Title 39 and Title 40, Chapter 11. by *Turner J, *Camper, *Gilmore, *Dean, *Parkinson, *Alexander, *Jones, *Akbari, *Armstrong.

House Bill No. 2287 -- Insurance Companies, Agents, Brokers, Policies - As introduced, requires an insured to specify in certain insurance policies any designated beneficiary or the choice not to designate a beneficiary; places other requirements on such policies and notices concerning such policies; and authorizes the commissioner of commerce and insurance to promulgate rules thereto. - Amends TCA Title 8 and Title 56. by *Turner J, *Camper, *Gilmore, *Parkinson, *Akbari, *Armstrong.

House Bill No. 2288 -- Veterans - As introduced, allows eligible veteran and veteran's spouse to be interred at no cost if buried in a Tennessee veterans' cemetery. - Amends TCA Title 46, Chapter 6. by *Turner J, *Camper, *Gilmore, *Dean, *Parkinson, *Alexander, *Lamberth, *Akbari, *Armstrong, *Ragan, *Windle, *DeBerry J, *Spivey, *Fitzhugh, *Shepard, *Williams R.

House Bill No. 2289 -- Sexual Offenses - As introduced, requires law enforcement agencies to submit sexual assault evidence to TBI for analysis within thirty days and TBI to analyze evidence within ninety days of receipt; requires untested sexual assault evidence to be analyzed as sufficient funding and personnel are available. - Amends TCA Title 38, Chapter 6, Part 1. by *Fitzhugh.

House Bill No. 2290 -- Education - As introduced, requires the department of education to reimburse LEAs for the costs of implementing and the ongoing costs to use common core state standards and PARCC assessments. - Amends TCA Title 49. by *Spivey, *Carr J, *Hill M, *Carr D, *Farmer, *Faison, *Shiple, *Womick, *Matlock, *Calfee, *Matheny, *Williams K, *Sanderson, *Lollar, *Tidwell, *Doss, *Butt, *Lynn, *Hill T, *Lamberth, *Watson, *Holt, *Dunn, *Durham, *Goins, *Bailey, *Pitts, *Weaver, *Forgety, *Van Huss, *Rogers, *Alexander, *Jernigan, *Sexton, *Floyd, *Casada, *Swann, *Travis, *Pody, *Hawk, *Sparks, *Moody.

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House Bill No. 2291 -- Search & Seizure - As introduced, prohibits a government entity from obtaining location information from an electronic device without a search warrant and makes violation by the entity a civil penalty of \$100 per occurrence. - Amends TCA Title 40, Chapter 6, Part 1. by *Weaver.

House Bill No. 2292 -- Lottery, Scholarships and Programs - As introduced, deletes exceptions that currently allows students at certain ineligible private postsecondary institutions to receive lottery scholarships until June 30, 2016. - Amends TCA Section 49-4-902. by *Weaver.

***House Bill No. 2293** -- Local Government, General - As introduced, revises the provisions governing altering or revising the budget of the county department of education. - Amends TCA Title 4; Title 5; Title 6; Title 7 and Title 49. by *Durham, *Kane, *Littleton, *Shipley.

***House Bill No. 2294** -- Education, Curriculum - As introduced, urges the departments of education and children's services to work together to enhance or adapt curriculum materials that focus on child sexual abuse, including such abuse which may occur in the child's home. - Amends TCA Title 37, Chapter 1; Title 37, Chapter 5; Title 49, Chapter 10 and Title 49, Chapter 6. by *White M.

***House Bill No. 2295** -- Education - As introduced, requires a biennial survey of LEAs and public charter schools by the department of education to find programs that encourage and support the study of STEM fields by pre-K-12 students. - Amends TCA Title 49. by *Tidwell, *Pitts.

House Bill No. 2296 -- Motor Vehicles, Titling and Registration - As introduced, changes the requirement for county clerks to remit fees associated with titling and registration the same day the application is filed to a monthly requirement. - Amends TCA Title 55. by *Pitts.

SENATE BILLS TRANSMITTED

On motion, the Senate Bills listed below, transmitted to the House, were held on the Clerk's desk pending third consideration of the companion House Bill as noted:

Senate Bill No. 837 -- Wine & Wineries - As introduced, allows cities and counties to hold a referendum to authorize selling wine at retail food stores; creates permit to sell wine at retail food stores. - Amends TCA Title 2 and Title 57. by *Ketron, *Bowling, *Henry. (*HB610 by *Lundberg, *Casada, *Shepard, *Stewart, *Durham, *Sargent, *Haynes, *Harwell)

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HOUSE BILLS ON SECOND CONSIDERATION

On motion, bills listed below passed second consideration and were referred by the Speaker to Committee or held on the Clerk's desk as noted:

House Bill No. 2217 -- Local Education Agencies -- House Education Committee

House Bill No. 2218 -- Criminal Procedure -- House Criminal Justice Committee

***House Bill No. 2219** -- Taxes, Hotel Motel -- House Local Government Committee

House Bill No. 2220 -- Education -- House Transportation Committee

House Bill No. 2221 -- Correctional Programs -- House State Government Committee

House Bill No. 2222 -- TennCare -- House Insurance and Banking Committee

House Bill No. 2223 -- Civil Procedure -- House Civil Justice Committee

***House Bill No. 2224** -- County Officers -- House Local Government Committee

***House Bill No. 2225** -- Public Records -- House State Government Committee

House Bill No. 2226 -- Local Government, General -- House Transportation Committee

House Bill No. 2227 -- Drugs, Prescription -- House Health Committee to House Criminal Justice Committee

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House Bill No. 2228 -- Public Employees -- House State Government Committee

House Bill No. 2229 -- Physicians and Surgeons -- House Health Committee

House Bill No. 2230 -- Autopsies -- House Civil Justice Committee

House Bill No. 2231 -- Basic Education Program (BEP) -- House Education Committee

House Bill No. 2232 -- Veterans -- House Civil Justice Committee

House Bill No. 2233 -- Highway Signs -- House Transportation Committee

House Bill No. 2234 -- Surveyors -- House Business and Utilities Committee

House Bill No. 2235 -- Education -- House Education Committee

***House Bill No. 2236** -- Taxes, Ad Valorem -- House Local Government Committee

House Bill No. 2237 -- Education, State Board of -- House Education Committee

***House Bill No. 2238** -- Motor Vehicles, Titling and Registration -- House Transportation
Committee

House Bill No. 2239 -- Open Meetings -- House State Government Committee

House Bill No. 2240 -- Alcoholic Beverages -- House State Government Committee

House Bill No. 2241 -- Sexual Offenses -- House Criminal Justice Committee

House Bill No. 2242 -- Telecommunications -- House Business and Utilities Committee

House Bill No. 2243 -- Victims' Rights -- House Criminal Justice Committee

House Bill No. 2244 -- Taxes, Exemption and Credits -- House Finance, Ways & Means
Committee

House Bill No. 2245 -- Insurance, Motor Vehicles -- House Insurance and Banking
Committee

House Bill No. 2246 -- Education, Higher -- House Education Committee

***House Bill No. 2247** -- Utilities, Utility Districts -- House Business and Utilities
Committee

House Bill No. 2248 -- Local Education Agencies -- House Education Committee

House Bill No. 2249 -- Textbooks -- House Education Committee

House Bill No. 2250 -- Local Government, General -- House Local Government
Committee

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House Bill No. 2251 -- Professions and Occupations -- House Business and Utilities Committee

House Bill No. 2252 -- Education -- House Education Committee

House Bill No. 2253 -- Education, Curriculum -- House Education Committee

House Bill No. 2254 -- Insurance, Health, Accident -- House Insurance and Banking Committee

***House Bill No. 2255** -- Emergency Communications Districts -- House State Government Committee to Government Operations Committee

House Bill No. 2256 -- County Boundaries -- House State Government Committee

***House Bill No. 2257** -- Health Care -- House Health Committee

House Bill No. 2258 -- Criminal Offenses -- House Agriculture and Natural Resources Committee to House Criminal Justice Committee

House Bill No. 2259 -- Eminent Domain -- House Civil Justice Committee

House Bill No. 2260 -- Eminent Domain -- House Civil Justice Committee

***House Bill No. 2261** -- Utilities, Utility Districts -- House Business and Utilities Committee

CONSENT CALENDAR

House Bill No. 1402 -- Statutes and Codification - As introduced, codifies the acts of the 2013 legislative session. by *McCormick, *Brooks K.

***House Joint Resolution No. 522** -- General Assembly, Confirmation of Appointment - Confirms appointment of Robin Bennett to serve term on Tennessee regulatory authority that expires June 30, 2014. by *Harwell, *McCormick, *Marsh.

House Joint Resolution No. 643 -- Memorials, Recognition - Delta Days at the State Capitol. by *Turner J, *Gilmore, *Armstrong, *Favors, *Camper, *Akbari, *Miller, *Parkinson, *Hardaway, *DeBerry J.

Senate Joint Resolution No. 530 -- Memorials, Personal Occasion - Jennie Beatrice Burton Ramsey, 110th birthday. by *Green.

Senate Joint Resolution No. 532 -- Memorials, Professional Achievement - Jean Shepard, 59th anniversary as Grand Ole Opry member. by *Haile, *Tracy.

Senate Joint Resolution No. 533 -- Memorials, Death - William R. "Bill" Baker. by *Green, *Henry.

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OBJECTION--CONSENT CALENDAR

Objection(s) was/were filed to the following on the Consent Calendar:

House Joint Resolution No. 522: by Rep. Dunn

House Bill No. 1402: by Rep. McCormick

Under the rules, House Joint Resolution(s) No(s). 522 and House Bill(s) No(s). 1402 were placed at the heel of the calendar for February 5, 2014.

Rep. Camper moved that all members voting aye on House Joint Resolution No. 643 be added as co-prime sponsors, which motion prevailed with the following members not added pursuant to the signed Sponsor Exclusion form: Rep(s). Alexander, Butt, Pody, Ragan, Womick.

Pursuant to **Rule No. 50**, Rep. Dunn moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Consent Calendar be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes	91
Noes.....	0
Present and not voting.....	1

Representatives voting aye were: Akbari, Alexander, Armstrong, Bailey, Brooks H, Butt, Calfee, Camper, Carr D, Carr J, Carter, Casada, Coley, Cooper, Dean, DeBerry J, Dennis, Doss, Dunn, Durham, Eldridge, Evans, Faison, Farmer, Favors, Fitzhugh, Floyd, Forgety, Goins, Halford, Hall, Hardaway, Harrison, Hawk, Haynes, Hill M, Hill T, Holt, Jernigan, Johnson C, Johnson G, Jones, Kane, Keisling, Lamberth, Littleton, Lollar, Love, Lundberg, Lynn, Marsh, Matheny, Matlock, McCormick, McManus, Miller, Moody, Odom, Parkinson, Pitts, Pody, Powell, Powers, Ragan, Ramsey, Rich, Rogers, Sanderson, Sargent, Sexton, Shaw, Shepard, Shipley, Sparks, Spivey, Stewart, Swann, Tidwell, Todd, Towns, Travis, Van Huss, Watson, Weaver, White D, White M, Williams K, Williams R, Windle, Wirgau, Womick -- 91

Representatives present and not voting were: McDaniel -- 1

A motion to reconsider was tabled.

UNFINISHED BUSINESS

RULES SUSPENDED

Rep. Holt moved that the rules be suspended for the immediate introduction and consideration of House Joint Resolution No. 642, which motion was ruled out of order.

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***House Joint Resolution No. 642** -- General Assembly, Statement of Intent or Position - Encourages Sean Hannity and like-minded New Yorkers to relocate to Tennessee. by *Holt, *Carr J, *Butt, *Wirgau, *Coley, *Kane, *Faison, *Rich, *Durham, *Lamberth, *Littleton, *Brooks K, *Carr D, *Alexander, *Dean, *Moody, *Keisling, *Williams R, *Johnson G, *Windle, *Dunn, *Bailey, *Eldridge, *Dennis, *Spivey, *Hill M, *Turner M, *Weaver, *Towns, *Armstrong, *Williams K, *Swann, *Marsh, *Ragan, *DeBerry J, *White M, *Carter, *Floyd.

Representative Holt moved that **House Joint Resolution No. 642** be heard in the State Government Committee February 4, 2014 which motion prevailed.

ANNOUNCEMENTS

BILL FILING DEADLINE

The Clerk announced that the bill filing deadline in the House and the Senate would be on Wednesday, February 5, 2014 at 4:30 p.m.

The Clerk further announced that the Rules Committee would meet in the Speaker's Conference Room, Tuesday, February 4, 2014 at 8:30 a.m. to hear all legislation over the fifteen Bill limit.

SPONSORS ADDED

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

House Joint Resolution No. 522 Rep(s). Dean and Carter as prime sponsor(s).

House Joint Resolution No. 564 Rep(s). Lamberth and Weaver as prime sponsor(s).

House Bill No. 1381 Rep(s). McCormick as prime sponsor(s).

House Bill No. 1386 Rep(s). Kane, Sparks, J. Carr, Harrison, Faison, Carter, Hawk, Moody, Hall, Wirgau and Dunn as prime sponsor(s).

House Bill No. 1457 Rep(s). Kane, Love, Hall, M. White, Rich, Wirgau, Bailey, Calfee and Shipley as prime sponsor(s).

House Bill No. 1542 Rep(s). Butt, Swann, Halford, Calfee, Travis, Keisling, Holt, Lollar, Ragan, Faison, Matheny, Hawk, Coley, J. DeBerry, Windle, Marsh, T. Hill and Moody as prime sponsor(s).

House Bill No. 1748 Rep(s). Dennis, Mitchell, Eldridge, Doss, Pitts, Matlock, Hawk, Coley, Keisling, Kane, Calfee, Faison, Harrison, D. Carr, Ramsey, Farmer, T. Hill, Shaw, G. Johnson, Windle, Swann, Van Huss, Stewart and Jernigan as prime sponsor(s).

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House Bill No. 1799 Rep(s). Marsh as prime sponsor(s).

House Bill No. 1844 Rep(s). Dunn as prime sponsor(s).

House Bill No. 1886 Rep(s). Rich, Evans and Bailey as prime sponsor(s).

House Bill No. 1940 Rep(s). Hawk, Coley, Keisling, Kane, Calfee, Faison, Harrison, D. Carr, Ramsey, Farmer, T. Hill, Shaw, G. Johnson, Windle, Swann, M. Hill, Stewart, Jernigan, Dennis, Mitchell, Eldridge, Alexander, Doss, Pitts, and Matlock as prime sponsor(s).

House Bill No. 2128 Rep(s). Pitts as prime sponsor(s).

House Bill No. 2161 Rep(s). Hawk, Coley, Keisling, Calfee, Faison, D. Carr, Ramsey, Farmer, T. Hill, Shaw, G. Johnson, Swann, Windle, M. Hill, Stewart, Jernigan, Dennis, Mitchell, Eldridge, Alexander, Pitts and Matlock as prime sponsor(s).

House Bill No. 2207 Rep(s). Holt, Butt and Rogers as prime sponsor(s).

House Bill No. 2255 Rep(s). Matheny, Bailey, Sexton, M. Turner, Odom, Dean, Jernigan, Marsh, Calfee, Matlock, Rich, Womick, M. White, Dennis, Floyd, Towns and Gilmore as prime sponsor(s).

House Bill No. 2294 Rep(s). Ragan, Coley, Rogers, Dean and Alexander as prime sponsor(s).

House Bill No. 2295 Rep(s). Pitts as prime sponsor(s).

SPONSORS REMOVED

On motion, Rep(s). Windle was/were removed as sponsor(s) to **House Bill No. 1404**.

On motion, Rep(s). Windle was/were removed as sponsor(s) to **House Bill No. 1405**.

**ENGROSSED BILLS
February 3, 2014**

MADAM SPEAKER: The following bills have been examined, engrossed and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 643.

GREG GLASS, Interim Chief Engrossing Clerk

**MESSAGE FROM THE SENATE
February 3, 2014**

MADAM SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 498, 507, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 528 and 529; For the signature of the Speaker.

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RUSSELL A. HUMPHREY, Chief Clerk

**SIGNED
February 3, 2014**

The Speaker announced that she had signed the following: Senate Joint Resolution(s) No(s). 498, 507, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 528 and 529.

JOE McCORD, Chief Clerk

**MESSAGE FROM THE SENATE
February 3, 2014**

MADAM SPEAKER: I am directed to return to the House, House Joint Resolution No(s). 529; concurred in by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk

**MESSAGE FROM THE SENATE
February 3, 2014**

MADAM SPEAKER: I am directed to transmit to the House, Senate Joint Resolution No(s). 561; adopted, for the House's action.

RUSSELL A. HUMPHREY, Chief Clerk

Senate Joint Resolution No. 561 -- Memorials, Professional Achievement - Connie Smith, 49th anniversary as a member of the Grand Ole Opry and 50th anniversary of her country music career. by *Johnson.

ROLL CALL

The roll call was taken with the following results:

Present..... 94

Representatives present were Akbari, Alexander, Armstrong, Bailey, Brooks H, Butt, Calfee, Camper, Carr D, Carr J, Carter, Casada, Coley, Cooper, Dean, DeBerry J, Dennis, Doss, Dunn, Durham, Eldridge, Evans, Faison, Farmer, Favors, Fitzhugh, Floyd, Forgety, Goins, Halford, Hall, Hardaway, Harrison, Hawk, Haynes, Hill M, Hill T, Holt, Jernigan, Johnson C, Johnson G, Jones, Kane, Keisling, Lamberth, Littleton, Lollar, Love, Lundberg, Lynn, Marsh, Matheny, Matlock, McCormick, McDaniel, McManus, Miller, Mitchell, Moody, Odom, Parkinson, Pitts, Pody, Powell, Powers, Ragan, Ramsey, Rich, Rogers, Sanderson, Sargent, Sexton, Shaw, Shepard, Shipley, Sparks, Spivey, Stewart, Swann, Tidwell, Todd, Towns, Travis, Van

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Huss, Watson, Weaver, White D, White M, Williams K, Williams R, Windle, Wirgau, Womick,
Madam Speaker Harwell -- 94

RECESS MOTION

On motion of Rep. McCormick, and pursuant to House Joint Resolution 635, the House stood in a brief recess prior to joining the Senate in the Joint Convention for the purpose of hearing the Governor's Budget Address, at the conclusion of which the House stood in recess until 9:00 a.m., Wednesday, February 5, 2014.

**IN JOINT CONVENTION
STATE OF THE STATE ADDRESS
MONDAY, FEBRUARY 03, 2014**

The hour having arrived, set by House Joint Resolution No. 635, the Senate met with the House in Joint Convention for the purpose of hearing the State of the State Address from Governor Bill Haslam.

The Joint Convention was called to order by Mr. Speaker Ramsey, President of the Joint Convention.

On motion of Senator Norris, the roll call of the Senate was dispensed with.

On motion of Representative McCormick, the roll call for the House was dispensed with.

Thereupon, the Clerk of the Senate read House Joint Resolution No. 635, authorizing the Joint Convention.

Senator Norris moved that the President of the Joint Convention appoint a Committee composed of six members from the Senate and six members from the House of Representatives to notify the Governor that the Joint Convention is in session and awaiting his arrival.

Mr. President Ramsey appointed Senators Ketron, Norris, Watson, Burks, Henry, Finney; Representatives Akbari, Bailey, Powers, Favors, Pitts, and C. Johnson. Senator Douglas Henry served as Chair of the Committee.

BRIEF RECESS

Without objection, Mr. President Ramsey moved that the Joint Convention stand in recess pending the arrival of Governor Bill Haslam.

RECESS EXPIRED

The recess having expired, the Joint Convention was called to order by Mr. President Ramsey.

Mr. President Ramsey recognized Senator Douglas Henry at the entrance of the House Chamber, who stated "Mr. President, Madam Speaker, it is the honor of your Committee to present his Excellency, Bill Haslam, Governor of Tennessee."

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Mr. President Ramsey asked the Committee to escort Governor Bill Haslam to the podium.

Mr. President Ramsey stated, "Members of the General Assembly, it is my distinguished honor to present to you the Honorable Bill Haslam, Governor of the Great State of Tennessee."

**STATE OF THE STATE ADDRESS
BY GOVERNOR BILL HASLAM
"TENNESSEE - AMERICA AT ITS BEST"
FEBRUARY 3, 2014
#TNPromise**

Lieutenant Governor Ramsey, Speaker Harwell, Speaker Pro Tems Watson and Johnson, Members of the 108th General Assembly, Justices, Constitutional Officers, Commissioners, friends, guests, fellow Tennesseans, and my favorite Tennessean, Crissy:

I count it one of the greatest privileges of my life to serve this great state. I love being your Governor, and I appreciate the invitation to stand before you this evening to update you on the state of our State.

But let me start with a story. I want to take you back 50 years to 1963. Merritt Potter, a Kingsport realtor, entered a contest to come up with a slogan to promote Tennessee.

He won, and the prize was a 21,000 dollar savings bond. A bill was introduced in the General Assembly to adopt it as the state's official slogan. It passed and was signed into law.

Fifty years later, Merritt Potter's words are still our state's official slogan, and they still are true: "Tennessee – America at Its Best."

Today in Tennessee we are more than a slogan. We think we are a model to the nation in so many ways.

Working with the General Assembly, we've kept taxes low. We have the lowest debt in the country. We've done that while at the same time, that's a good thing, we've done that while nearly doubling the state's savings account.

What we haven't done, we haven't cut K-12 education. In fact, since we took office, we are one of only six states in the country that has consistently increased state spending on K-12 education as a percentage of our total budget. Since 2011, we've had the fourth largest increase in education spending compared to the rest of the country.

Tonight, tonight, I want to give you some good news, ask for your help in facing some tough challenges, and lay out a vision for realizing our state's full potential.

Let's start with some accomplishments.

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Tennessee is ranked the third best managed state in the nation. Nice, but we want to be number one. To accomplish that, we're focused on providing the very best service to our citizens at the very lowest cost.

Our departments have taken this charge seriously. Through the hard work and determination of the Cabinet and our state employees, we came in \$80 million under budget last year. Trust me, that's not happening in Washington.

I've visited and spent time with state employees in all of our departments. They're always quick to tell me how much they appreciate my visit, but I'm pretty sure that I gain the most from being there. It's good to see our employees in action and to understand their issues as we work to be more customer-focused and effective. But, our people play the major role in that process.

That's why we're investing in them. Employee salaries are up nearly 10 percent since 2011. Two years ago, we conducted a market salary survey, and your approval of the resulting salary adjustments means we can compete to recruit and retain the very best employees.

Here is some more good news that is a direct result of our team members.

For the last 15 years, Tennessee was under a court order known as the John B. case, which was filed against the state and its managed care contractors. The lawsuit said that TennCare had failed to meet federal standards for children. Last March, the U.S. Court of Appeals for the 6th Circuit dismissed the lawsuit saying that TennCare had, and I quote, "vastly improved its delivery of services to enrollees and indeed has become a national leader in its compliance with the Medicaid statute."

We had also been under a court order for the past 21 years in a case involving conditions at the Arlington Developmental Center in Memphis. This past December, the U.S. District Court of the Western Division dismissed the case, and the state actually completed the exit plan ahead of schedule.

Those two lawsuits alone had cost the state millions and millions of dollars over the last two decades. Every dollar we don't waste on lawsuits can be put to better use serving the people of Tennessee.

Due to the work of our Department of Children's Services, we're the first state in the nation to make support services available to 100 percent of our former foster youth as they transition to adulthood.

Through our 41 drug courts across the state, we're working to treat substance abusers that want help in a way that's more productive than simply putting them behind bars and looking the other way. Our proposed budget includes funding for a new statewide residential drug court in Middle Tennessee. Modeled after our program in Morgan County. It will give us the ability to serve women, which we currently aren't able to do.

We also currently have men and women in 14 countries across the world serving the Tennessee National Guard. Tonight, I'd like to introduce you to Staff Sergeant Tremaine Spencer. He is a Bronze Star Medal recipient that has served in the Tennessee National Guard for more than 16 years. He was deployed first to Iraq in 2007 as a squad leader with the 251st. Recently, he returned home to Memphis after serving in Afghanistan with the 130th. Sergeant

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Spencer, you represent the many Tennesseans that are serving our country. We are grateful for your distinguished service and you make us very proud. We always have been and always will be the volunteer state. Thank you, Sargent.

Another result of hard work: Business Facilities Magazine, a leading source for corporate site selectors, just named Tennessee “State of the Year.” It was based on our top projects last year, the number of jobs created, and the capital investment.

Jack Rogers, the editor, said: “Tennessee continues to impress us with its execution of a diversified growth strategy. The state has put in place a solid foundation for robust job creation for years to come.”

By the end of this year, we will have reduced state office space by about one million square feet, and for the first time in recent history, there is a statewide inventory of all state properties. We have a comprehensive plan to maintain and manage state assets, which hasn’t always been the case. Besides saving money, these changes have created better working conditions for state employees with efficient, well-lit and functional office space. Other states are reaching out to learn more about our innovative approach to real estate management.

Being America at its best means not doing government business the way we’ve always done it before.

Now let’s talk about the budget. Our state has a strong record of fiscal integrity. We’ve been intentional about not spending money just because we have it, and we’re better positioned to balance the budget this year because we’ve been fiscally conservative in years past. I’d like to recognize a member in this chamber tonight that has played an important role in ensuring that discipline for the past five decades.

Senator Douglas Henry is the longest serving member in the history of the Tennessee General Assembly, and as chairman emeritus of the Senate Finance Committee, he has seen his share of budgets over the years. Senator Henry, thank you for your dedicated service to our state. We wish you the best in your retirement, and we will miss you.

This year’s budget, in Senator Henry’s tradition, is a conservative one. Revenue collections over the past several months have not met projections, and our budget reflects that reality.

We have \$260 million in new revenue this year. Increased TennCare costs will take up \$180 million, employee health insurance costs are up \$40 million, and \$120 million are proposed for education. So, if you’re doing the math at home, before putting anything toward employee salaries, higher education, social services for our most vulnerable citizens, or anything else, we are already \$80 million in the red.

Well that would be ok if we were in Washington, but in Tennessee, we balance our budget. That’s why this budget also includes some cuts.

When we are talking about the budget, it’s important to understand that the major drivers are education and health care.

In Tennessee, education is a top priority, and this budget reflects that. It includes \$47 million to fund the BEP formula, and as we continue to expect more from our students and teachers in

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academic performance, we've also set a goal to be the fastest growing state in the country when it comes to paying our teachers, so more than \$63 million is included for teacher salaries.

The largest driver of the budget by far is TennCare, our state's Medicaid program. In essence, when you talk about managing the state budget, you're talking about managing TennCare costs. And make no mistake; TennCare is one of the best-managed Medicaid programs in the country. Our annual cost increases are 3.5 percent. The national average is 6.6 percent. Beating the national average saves us \$60 million every year.

Despite strong management, TennCare costs are always going to be a challenge. When you look back 10 years, TennCare had grown to be about 35 percent of our overall budget. Then, after the state went through the painful process of cutting 170,000 people from the rolls in 2007, it hit a low of almost 25 percent in 2009. Today, it has already grown back to be more than 30 percent of our budget, squeezing out other critical needs.

Well, these are current costs before we even consider expanding our Medicaid program to more people.

There has been criticism of our approach to pursue a Tennessee plan to cover more Tennesseans while taking into account cost and health outcomes.

I believe that more Tennesseans having health care is good for our state. My concern has been that the federal government isn't giving us the tools to do that in a cost-effective way or in a way that will ultimately impact the health of Tennesseans for the better.

The issue of accepting federal dollars to cover more Tennesseans has been politicized on both sides. Doing so, I think, ignores what's at stake. This is about insuring more Tennesseans in a sound way that the state can afford. It's also about changing health outcomes to fundamentally reduce health care costs. For Tennessee to be America at its best, we must get health care right – for those who need health care coverage and for the long-term fiscal health of our state.

As revenues have come in below expectations, some have questioned whether cutting taxes was the right thing to do.

The short answer - yes. Part of being customer-focused is to return taxpayer money when we can. Working together, we have cut taxes in a methodical, thoughtful way.

When you look at the taxes we've cut, several of them will actually create more revenue in Tennessee over time. For example, we're in the process of phasing out the death tax, which not only supports small business owners and family farmers, but will attract investment to our state. That's also true for the gift tax, which we eliminated last year. We've also reduced the burden of the Hall Income Tax on seniors.

I don't think it's any accident that Tennessee was named the best state in the country to retire in 2013.

And, while lowering the sales tax on food doesn't generate new revenue or investment, I think we can all agree that reducing the amount of taxes that all Tennesseans pay on their groceries was the right thing to do.

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Tennessee is America at its best because we employ one of the best tax strategies of all time – common sense.

When it comes to economic development, we're on a roll. Not only were we State of the Year, but 2013 was record breaking with over 23,000 new jobs committed from 187 projects. Since January 2011, nearly 155,000 private sector jobs have been created in Tennessee.

We've had some exciting announcements: Hankook, 1,800 jobs in Clarksville; ARAMARK, 1,500 jobs in Nashville; Calsonic Kansei, 1,200 new jobs across facilities in Lewisburg, Shelbyville and Smyrna; Unilever, 400 new jobs in Covington; UBS, 1,000 new jobs in Nashville; Eastman, a 1.6 billion dollar investment in Kingsport; 9to5 Seating bringing more than 500 jobs from China back to Union City, a town hit hard after Goodyear closed its tire plant there; and just in the past several weeks, Conduit Global, 1,000 new jobs in Memphis, and Beretta is putting its U.S. operation for manufacturing and development in Gallatin.

And that's the short list.

In Tennessee we still actually make things, and we make things that are known around the world. We make things that people use every day like cars, tires, ovens, chemicals, medical devices, and we make other things that occasionally get consumed as well like M&Ms and ice cream and Jack Daniels.

In fact, we lead the Southeast in manufacturing. These are high-tech, advanced manufacturing jobs created by businesses, large and small, that make the decision to invest in Tennessee.

You know we're known around the globe for a lot of things but music and our state's natural beauty have to be at the top of the list. We have put together a statewide, comprehensive plan to attract more people to Tennessee. That generates more revenue and creates more jobs. I have been impressed by how the tourism industry from across the state has really come together. As a result, this budget, like last year's, includes additional dollars to bring more visitors here.

But even with all of this momentum on the jobs front, one thing we have to work on is our unemployment rate. We want more Tennesseans to have more opportunities for high-quality, good-paying jobs.

So, what's the best jobs plan? Easy answer: education. If we want to have jobs ready for Tennesseans, we have to make sure that Tennesseans are ready for jobs.

Back in November, I visited West Wilson Middle School in Mount Juliet. While I was there, Megan Baker, a sixth grade math teacher, I actually remembered it, gave me this red LEGO. LEGO has become an acronym for their motto: Let's Expect Great Outcomes.

Because it sits on top of the alarm clock by my bed, it's literally the first thing I see every morning. It's a reminder of the responsibility that we all have to expect great outcomes.

Expecting great outcomes will insure that Tennessee is America at its best. Let's expect great outcomes – in education, in economic development, in quality service to Tennessee taxpayers, and in everything that we do.

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After years of lagging behind, we can say today that we're making dramatic gains. When it comes to education in Tennessee, we are demonstrating that we are America at its best.

The National Assessment of Education Progress, also known as the nation's report card, announced last fall that Tennessee is the fastest improving state in the country in academic attainment.

This independent evaluation showed that Tennessee students had the largest growth of any state from 2011 to 2013 across the four reading and math tests. In fact, Tennessee's growth was the largest ever of any state in a single testing cycle since NAEP began nationwide assessments 10 years ago.

It is not an exaggeration to say that we are seeing historic gains due to the hard work of our teachers and leaders.

We are showing that it's possible for all students to grow academically. Tennessee had the most growth in the country for African American students, continuing significant progress that we've seen on TCAP and other assessments.

Our superintendents, our principals, our teachers, and our students are working hard and it shows. We can do this. We are doing this. But the biggest point isn't about ranking or test scores. It's about our children, our grandchildren, and our great grandchildren being ready to live their very best lives.

We've raised standards for our students and expectations for adults. There's been a lot of discussion and debate – and I think that's a good thing. But the historic progress that we're making isn't by accident.

Together we changed tenure so that a principal doesn't have to decide after just three years to either fire a teacher or grant tenure.

We've implemented performance evaluations for teachers and principals. You'll remember that there were some angst about those, and there were some appropriate adjustments that needed to be made along the way, and they were. The important thing is that we didn't back away from them. Performance evaluations are working, and our teachers are excelling, just like we knew they would.

More recently, some have raised questions about the Common Core state standards. It's important to remember that Common Core came out of states working together to raise standards in a consistent and meaningful way, showing that states, not the national government, can and will lead meaningful education reform. In fact, many Tennessee educators were involved in the creation of the standards from the start. It's also important to know that Common Core has nothing to do with curriculum. Our local school districts are responsible and will be responsible for setting curriculum. Common Core is about clearly defining common standards that students should know at certain grade levels. With all of the progress we're making, how can we argue against higher standards? They are making a difference.

Tonight, I'd like to you meet Cicely Woodard. She's an eighth-grade math teacher at Rose Park Magnet Middle School here in Nashville. She's also married to a principal here at Maplewood.

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I've heard Cicely say that she walks into her classroom everyday believing that all of her students can be victorious. She's gained their trust and built a relationship with them, and they know that she won't let them fail. They know that she will reteach, redo and reassess until they get it right. Cicely, thank you. You represent teachers and Common Core coaches across this state who are changing the lives of Tennessee children. Great work, Cicely.

We really are moving the needle in Tennessee. We've come too far to back up or to settle for less.

Last year, I introduced a proposal to offer another option for school choice through a program to allow low-income students in our lowest performing schools a chance to receive a better education. I've included funding in this year's budget proposal to pay for this approach.

I believe offering choice to families is important and that a focused approach makes sense at this point. For those who have concerns about vouchers, I encourage you to support this targeted effort to support students in our lowest performing schools.

You know, since the days of George Washington, Americans have expected this country to be better for the next generation, but that isn't the case these days. There are different ideas and opinions about why the American Dream seems out of reach for some of our citizens. One thing that is certain is that there are certain basic skills that we all need to be able to compete in the world.

In the year 2025, 55 percent of Tennesseans will need a certificate or degree beyond high school to get a job. Today, only 32 percent of Tennesseans qualify. To truly be America at its best, that's not good enough.

This time last year, I announced the Drive to 55 – our effort to reach at least 55 percent by 2025. I want to take this opportunity to thank Randy Boyd for taking a leave of absence from his company and dedicating a year of his life - at no cost to the state - to work on this. He did it because he loves our state, and he wants Tennessee to be America at its best. Thank you, Randy. When I asked him to come, I told him he was right in our price range.

This isn't just about higher education – it's about better jobs for more Tennesseans. It's about building a stronger economy. We don't have a choice if we want to be the number one state in the Southeast for high quality jobs.

I've spent a lot of time over the past two years on workforce readiness. I am more convinced than ever that our urgent needs are in the areas of access, quality and relevance.

To tackle these, our Drive to 55 initiative focuses on five key goals:

- 1. Getting students ready;*
- 2. Getting them into school;*
- 3. Getting them out of school;*
- 4. Finishing what we started with adult students; and*
- 5. Tying education directly to workforce needs.*

So first, let's talk about getting students ready. We know that nearly 70 percent of our students who graduate from high school need remedial math or English before they can take college

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level courses. But, if they have to take one of those courses, their chances of actually graduating are less than 10 percent.

To fix that, working with community colleges and high schools we're working to expand the SAILS program – Seamless Alignment and Integrated Learning Support. SAILS gives students who need extra support in math that attention during their senior year in high school so they can avoid remediation when they enter college. We are only half way through this year's program, and nearly 40 percent of high school seniors have already eliminated their need for remedial math in college. The savings? \$3.5 million in tuition.

Based on tangible results and success, this year's budget includes funding to expand the SAILS program to allow 4,000 more students - for a total of 12,000 - to participate.

Kim McCormick will you please stand so that we can thank you and Chattanooga State Community College for pioneering this program and for leading the charge for a statewide expansion.

Another way to help get students ready is dual enrollment. This program allows high school students to take college credit courses. Studies show that students that take dual enrollment courses have a 94 percent probability of going to college, much higher than our state average of just over 60 percent.

We're proposing to change the way we allocate funding for dual enrollment courses, so that any student can take his or her first course free followed by discounted courses in following years.

So, after getting students into school, we have to look at getting them out. Companies like Netflix and Amazon and Pandora tailor their recommendations to what their customers are looking for. Shouldn't we be doing that to help our students? Shouldn't we be helping our students find the subjects and skills that will give them a real shot at success? Well, we are.

The Degree Compass program, pioneered at Austin Peay University, predicts the subjects and majors in which students will be most successful. The model combines hundreds and thousands of past students' grades with current students' transcripts to make an informed, individual recommendation.

That's exactly what we should do - help our students find the subjects and skills that allow them to graduate and pursue their dreams. This year's budget includes funding to expand the Degree Compass program.

You know, we have almost a million Tennesseans that have some college credit but didn't graduate with an associate's or a four-year degree. That is an amazing pool of untapped, unrealized potential.

We're including money in this year's budget to help our state colleges and universities do a better job of identifying and recruiting adults that are most likely to return to college and complete their degree. This is going to take all of our schools – state and independent colleges – working together to get us where we need to be.

Tonight, I'd like you to meet Erika Adams. In 2002, she made the decision to go back to school. Despite the pressures of being a single mother with three boys at home, she enrolled at Northeast State Community College. From there she moved onto ETSU where she earned her bachelor's in 2007 and her master's in 2010 and another master's the next year and she is

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currently working on her doctorate, she is the Director of College Access programs at Northeast State. Erika has first-hand experience of fighting through the barriers that come with an adult going back to school. She is putting that experience to work in helping others attend college. Erika, congratulations on your accomplishment, and thanks for what you do to help more Tennesseans further their education.

There are men and women across this state who don't see a path to earn a degree. Erika is a great example that while it isn't always going to be easy, it is worth it, and we have to do all we can to make going back to school an option for more Tennesseans.

To be successful, we have to measure our results.

I'm asking the Tennessee Higher Education Commission to create a scorecard that measures the performance of our institutions. It will let all of us know about the percentage of students that graduate into a job in their field of study along with the average compensation.

We need to do a better job of listening to what our employers are telling us they need when they hire new employees. Last year Majority Leaders Norris and McCormick sponsored legislation to create the Labor Education Alignment Program – or LEAP – to help connect key stakeholders on the state and local level when it comes to workforce readiness.

To take the next step in this effort, I will appoint a Director of Workforce Alignment that will work with our departments and local officials. We will also be providing grants to local communities that have strategic plans to close the skill gaps in their areas.

This year's budget also includes strategic investments aimed at enhancing our Drive to 55 including:

- \$13 million to fund the Complete College Act which incentivizes colleges and universities based on the number of graduates instead of the old funding formula that was based on enrollment.*
- \$63 million for capital maintenance for higher education institutions across the state.*
- \$65 million in capital improvements to fund a new Williamson County campus for Columbia State and a new classroom building at Volunteer State – two of our fastest growing community colleges.*

To succeed in our Drive to 55, and to truly be America at its best, we have to change our culture. More Tennesseans have to believe that earning a degree or certificate beyond high school is not only possible but necessary.

As we urge more Tennesseans to continue their education, we know we have to remove as many barriers as possible. For many Tennessee families, cost is the biggest hurdle to further education.

That's why tonight I am really excited to announce the "Tennessee Promise."

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The Tennessee Promise is an ongoing commitment to every student – from every kindergartner to every high school senior. We will promise that he or she can attend two years of community college or a college of applied technology absolutely free.

If students then choose to go on to a four-year school through our transfer pathways program, it will now make it possible for those students to start as a junior. By getting their first two years free, the cost of a four-year degree is cut in half.

Through the Tennessee Promise, we are fighting the rising cost of higher education, and we are raising our expectations as a state. We are committed to making a clear statement to families that education beyond high school is a priority in the state of Tennessee.

Tennessee will be the only state in the country to offer our high school graduates two years of community college with no tuition or fees along with the support of dedicated mentors.

We are also proposing last dollar scholarship for all adults – all adults – regardless of age or previous qualification for a HOPE scholarship - to attend our TCATs free of charge.

We are putting our resources toward proven results. With 27 locations across the state, our TCATs graduate 81 percent of their students and match more than 86 percent of those graduates with jobs. TCATs work with local businesses to understand job demand and to keep up with the skills and training needed to fill those jobs.

Non-profit, private organizations will be a part of the Tennessee Promise to help ensure that 100 percent of the money goes directly to students by eliminating administrative costs. It will provide mentors to help navigate the enrollment process as well as provide support during the school year. Access is only success when it leads to completion.

So, I know you are wondering, how do we pay for this? The Tennessee Promise can only be a true promise if it is sustainable over time. It can't be based on year-to-year budgets, or changing legislatures, or new administrations. That's why I recommend funding it through an endowment.

I propose that we transfer lottery reserve funds into the endowment, which is strategically redirecting existing resources. There will still be \$110 million in the lottery reserve, which I believe is a healthy amount.

Net cost to the state, zero. Net impact on our future, priceless.

This is a bold promise. It's a promise that will speak volumes to current and prospective employers. It is a promise that will make a real difference for generations of Tennesseans. And it is a promise that we have the ability to make. I look forward to working with you, the members of the General Assembly, to make the Tennessee Promise a reality for Tennessee families.

As I begin my fourth year in office, I am convinced that "Tennessee - America at its best" is not just a 50-year-old slogan.

We are often recognized as a national leader in areas that matter like education, job creation, low taxes and low debt.

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As I travel through the state and have the opportunity to meet and talk with so many people, there is a lot of optimism out there and a lot of pride in Tennessee.

Whether they are dedicated teachers like Megan Baker and Cicely Woodard, or adult students willing to take risks like Erika Adams, or the Tennesseans like Sergeant Tremaine Spencer who sacrifice so much to serve our country, I see it every day.

We know our strengths.

We are not afraid to address our challenges head on.

In Tennessee, we truly are America at its best.

Thank you very, very much.

Thereupon, the purpose for which the Joint Convention was called having been accomplished, Madam President Harwell declared the Joint Convention dissolved.